Recreational Marijuana in Powell Township

•••

Tom Tarkleson Drew Juntila

What We Will Discuss

- Current laws in place regarding recreational marijuana production and distribution
- License types
- Laws and information applicable to municipal regulation
- Application process
- Security and safety
- Positives Vs. Negatives to opting in
- Questions

Current Laws and Regulations in Michigan

- Adult-Use Possession and Cultivation Limits
 - Adults who are 21 or older may:
 - possess, use, purchase, or give away (to other adults) up to 2.5 ounces of marijuana;
 - within a residence, grow up to 12 marijuana plants and/or possess up to 10 ounces of marijuana (provided that any amount greater than 2.5 ounces is stored under lock and key)
 - possess, manufacture, or purchase marijuana paraphernalia or accessories, or sell them to other adults.

Medical VS Adult Use

2008 - Michigan Medical Marijuana Act (MMMA)

2017 - Medical Marijuana Facilities Licensing Act (MMFLA)

2018 - Michigan Regulation and Taxation of Marihuana Act (MRTMA)

Legalized recreational use for adults 21+

2019 - Marijuana Regulatory Agency (MRA)

Created to oversee licensing for medical and adult use marijuana

Adult use licenses

<u>Cultivator</u>

Class A - 100 plants

Class B - 500 plants

Class C - 2000 plants

Excess grower - (Stacked class C licenses, limit of 5)

<u>Processor:</u> authorizes purchase of marijuana from a grower and sale of marijuana and marijuana-infused products to a retailer.

<u>Secure transporter</u>: authorizes storage and transportation of marijuana and money associated with the purchase or sale of marijuana between marijuana facilities.

Adult use licenses cont.

Retailer: can buy from licensed establishments and sell to adults 21+.

Microbusiness: - 150 plants.

- •Processing of marijuana products.
- Retail sales to adults 21+ from a single location. Licensed microbusinesses cannot purchase from or sell marijuana to other licensed establishments.

<u>Safety compliance facility</u> (testing lab): Tests marijuana for pesticides, contaminants, and potency.

Adult use licenses cont.

Designated Consumption Establishment: allows adults 21+ to consume marijuana at the licensed location.

Marijuana Event Organizer: allows for a temporary marijuana event

Municipal Regulation

Municipal Guide MRA Municipal Guide 705502 7.pdf (michigan.gov)

-Municipality must create an ordinance in order to enforce specific regulations or limitations

-Municipal application and renewal fees \$5,000 maximum

*Section 6 of the MRTMA



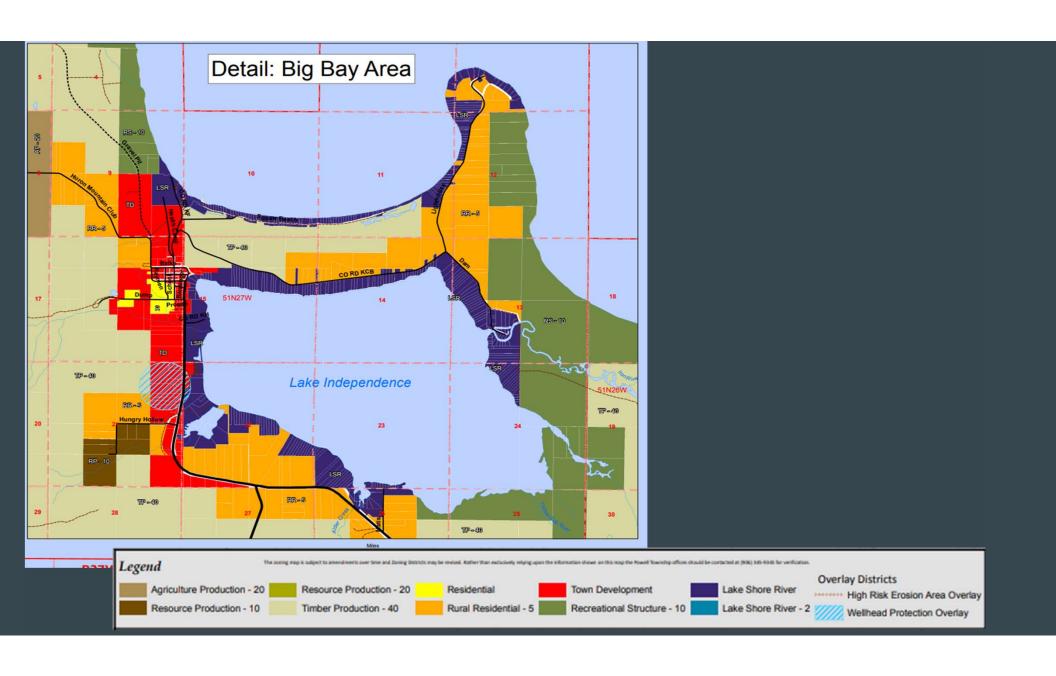
Municipal Regulation

- -Zoning and spacing
- -Limitation on the number and types of facilities allowed
- -Application and annual renewal fee up to \$5,000
- -Security
- -Signage

Zoning restrictions

-MRTMA requires a minimum distance of 1,000 feet between schools and a marijuana facility.

-A municipality can reduce this distance via ordinance



Application Process

MRA adopted a two step application process

Step 1: Vetting the applicants

Step 2: Vetting the facility

Step 1: Prequalification

Involves background checks of applicant

Valid for 2 years

\$6,000 non refundable application fee

Step 2: Vetting the physical establishment

Submitted once facility is ready to pass inspection.

- -Review of business specification, proof of financial responsibility, municipality information and general employee information
- -Inspections conducted my MRA and Bureau of Fire Safety
- -Confirmation of Section 6 compliance Part 1

Must be completed by municipal clerk and returned to applicant for submition

State Licensing Fees

Renewal fees are based on gross weight produced for growers and revenue for retailers.

Class A Marijuana Grower	\$4,000
Class B Marijuana Grower	\$8,000
Class C Marijuana Grower	\$40,000
Excess Marijuana Grower	\$40,000
Marijuana Microbusiness	\$8,000
Marijuana Processor	\$40,000
Marijuana Retailer	\$25,000
Marijuana Secure Transporter	\$25,000
Marijuana Safety Compliance Facility	\$25,000
Marijuana Event Organizer	\$1,000
Temporary Marijuana Event	See Rule 26 in the Marihuana Licenses Rule Set (R 420.26)

Security

- -Surveillance cameras on all entrances as well as the interior and exterior of premises
- -Robbery and burglary alarm systems
- -Locking safe permanently affixed to premises and out of view (Rule 38)
- -Emergency Rules: Rule 35 addresses security measures

https://www.michigan.gov/documents/lara/Adult_Use_Marihuana_Establishments_659 804_7.pdf

Surveillance requirements

- -Facilities are required by law to have video surveillance that can be remotely accessed from the internet
- -Video footage must have an accurate time and date stamp
- -Recorder must be contained within a protective case that cannot be tampered or accessed by unauthorized individuals
- -Must cover entire interior, all entrances from the outside and inside as well as all approaches to the premises
- -Must be capable of recording video in low light conditions (infra-red)
- -Footage must be archived for a minimum of 30 days.

Testing

- -Mandated by the state prior to sales
- -Performed by Licensed "Safety compliance centers"
- -What does testing accomplish?
 - Ensures safety of products
 - Monitors potency for dosage and labeling
- -What type of tests are performed?
 - Mass Spectrometry
 - Analytical Chromatography
 - Nuclear Magnetic Resonance Spectroscopy
- -What are these tests looking for?
 - Levels of potency of THC and CBD
 - Residual Pesticides
 - Mold and Mildew

UP Municipalities

Sands Township

- Ordinance: https://www.cannabisattorneysofmichigan.com/wp-content/uploads/2018/02/Sands-Commecial-Marihuana-Facilities-Ordinance-Approved-12.12.17-FINAL.pdf
- Application: http://www.sandstownship.org/wp-content/uploads/2018/05/MMFLA-Permit-Application-Form-2018-final.pdf

Negaunee Township

- Ordinance: https://www.negauneetownship.org/MMFLA-Recreational_PoliceOrdinance_FINAL%202019.pdf
- o Zoning Ordinance: https://www.negauneetownship.org/ZO_REC%20Updates_FINAL.pdf
- Application: https://www.negauneetownship.org/ordinances/docs/MMFLA_APP_FINAL%20Dec%202017.pdf

Humboldt Township

- Ordinance: http://www.humboldt.town/s/2017-10-30-Medical-Marihuana-Ordinance-Approved.pdf
- Application: http://www.humboldt.town/s/Medical-Marihuana-Facility-Application.pdf

Republic Township

- Ordinance: https://republicmichigan.com/wp-content/uploads/2020/02/Medical-Marihuana-Facilities-Ordinance-2018-38.pdf
- Application: https://republicmichigan.com/wp-content/uploads/2020/02/Medical-Marihuana-Facilities-Application-2018.pdf

Other UP Opt-ins

Hematite

Crystal falls Twp

Mastadon

Torch Lake Twp

Portage Charter Twp

Common Concerns About Opting In

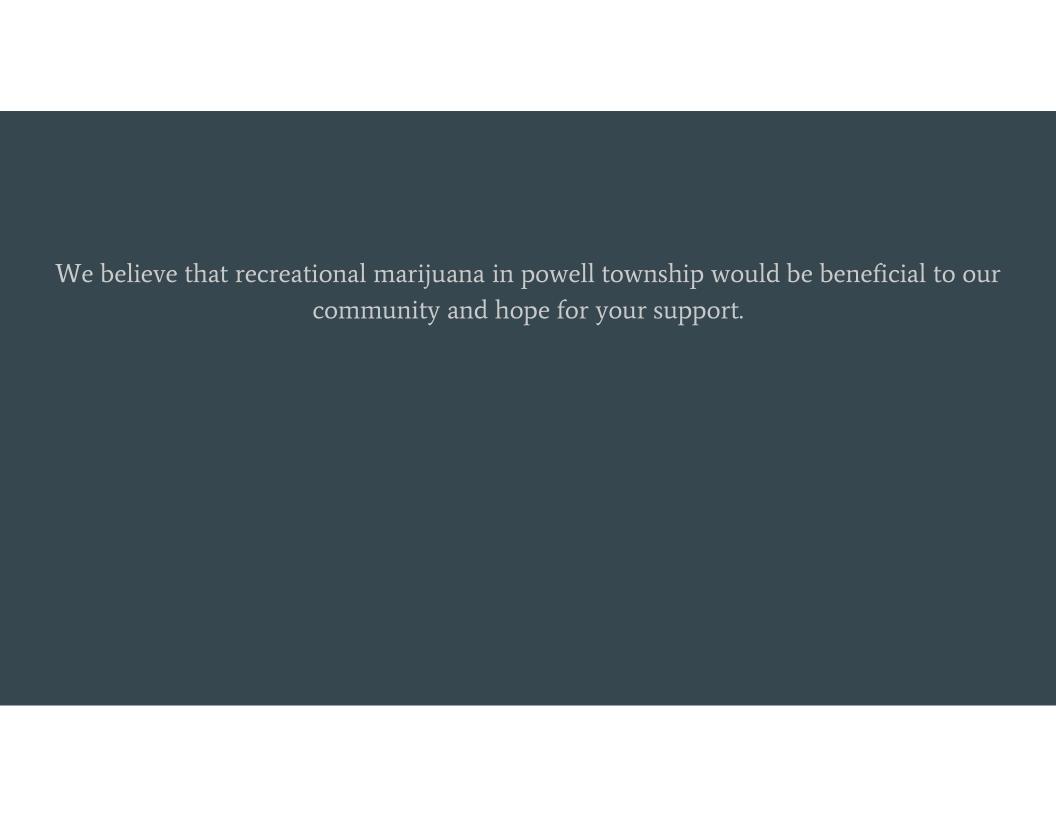
- Crime Rates
 - Canada became the second country in the world to legalize recreational cannabis use nationwide in October 2018. Since then there has been a decrease in incarceration rates.
 - If anything, legalization has resulted in reduced crime
 - Reduced black market sales less money to gangs and drug dealers
- Diversion, theft, loss, or criminal activity? Rule 17, emergency rules
 - Strict seed-to-sale tracking system
 - Required to report to law enforcement within 24 hours.
 - A grow facility is better monitored than pharmaceutical production facilities.

Smell

- Activated Carbon Filtration
- Bipolar Ionization
 - Causes odor particles to clump together making it easier to be captured in standard air filters.
 - Produces Oxygen Ions which degrade particles causing odor
- Sealed Grow Rooms

Positives to Opting in

- -Jobs
- -A typical 2,000 plant grow would have about 6 full time and up to a dozen part time employees.
- -Taxes -Capital improvements to properties increase property value
 - -Higher property value means more tax revenue
- -Revenue from Application and Renewal fees
- -Reduced black market sales
- -Less money going to illigitimate growers and drug dealers



Sources

Municipal Guide: https://www.michigan.gov/documents/mra/MRA Municipal Guide 705502 7.pdf

MRTMA: Michigan Legislature - Initiated Law 1 of 2018

MMFLA: MEDICAL MARIHUANA FACILITIES LICENSING ACT (MMFLA) (michiganmedicalmarijuana.com)

Emergency Rules: https://www.michigan.gov/documents/lara/Adult Use Marihuana Establishments 659804 7.pdf

https://marijuanaandthelaw.com/resources/legalization-history/

https://www.statista.com/statistics/560885/number-of-adults-in-federal-correctional-services-canada/